

Message Text

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ACTION NODS-00

INFO OCT-01 ISO-00 /001 W

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FM AMEMBASSY AMMAN

TO SECSTATE WASHDC IMMEDIATE 7086

S E C R E T AMMAN 1063

NODIS

E.O. 11652: GDS

TAGS: PFOR, MASS, JO, SA, US, UR

SUBJECT: HAWK FINANCING - TALK WITH RIFAI

REF: AMMAN 1048

SUMMARY: TALKED WITH RIFAI MORNING FEBRUARY 26 TO SOLICIT HIS REACTIONS TO SAUDI LETTER ON HAWKS AND TO CLEAR UP HIS VIEW ON AMBIGUITY IN LETTER ON WHETHER SAUDIS WILL IN EFFECT FUND SOVIET SYSTEM (REFTEL). RIFAI SAID JORDAN BELIEVES THIS IS SAUDI LAST WORD AND THAT AFTER FEBRUARY 29 THEY MUST GO TO SOVIETS. HE DID NOT ASK FOR ANY ASSISTANCE FROM US AND I DID NOT OFFER ANY. HE NOTED THAT LETTER IS AMBIGUOUS, BUT THAT JORDAN IS INTERPRETING THE MEANING AS THAT SAUDIS WILL GIVE JORDAN \$300M AND JORDAN WILL USE IT AS IT WANTS -- TO BUY SOVIET AIR DEFENSE MISSILES. EVEN IF SAUDIS DO NOT GIVE US THE MONEY, WE WILL GO TO THE SOVIETS TO TRY TO NEGOTIATE TERMS GOOD ENOUGH FOR US TO BUY THE SYSTEM ON OUR OWN." SAUDIS DO NOT: (A) BELIEVE JORDAN WILL GO TO USSR AND (B) ARE PREPARED NOT TO FUND MORE THE \$300M BECAUSE THEY BELIEVE JORDAN WILL BE CONTENT WITH 3 OR 4 BATTERIES, ACCORDING TO RIFAI. RIFAI HAS GIVEN US COPIES OF THE EXCHANGE WITH PRINCE FADH (KING SENT LETTER TO HIM LAST NIGHT VIA SAUDI AMBASSADOR HERE, BUT RIFAI SAYS IT IS NOT LIKELY TO ARRIVE IN RIYADH UNTIL AFTER KING LEAVES HERE FOR AUSTRALIA FEBRUARY 29). WE ARE TRANSLATING LETTERS AND WILL SEND TEXTS AND COMMENTS THEREON SOONEST. RIFAI MAKES A BIG POINT THAT KING FACING SERIOUS INTERNAL CRISIS WITH HIS OWN ARMED FORCES IN NOT GETTING ADEQUATE AIR

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DEFENSE AND THIS IS MORE SERIOUS FOR HIM THAN INTERNATIONAL

CRISIS WHICH JORDAN WILL FACE WHEN IT GOES TO SOVIETS TO MAKE A DEAL. JORDAN IS NOW GOING TO GO THROUGH WITH NEXT STEP, PROBABLY IN MARCH, UNLESS SAUDIS BLINK. END SUMMARY.

1. I SAW RIFAI AND HE GREETED ME WITH ARABIC EXPRESSION THAT GOES ROUGHLY "THERE IS SOME GOOD IN EVERY DAY, BUT ONLY GOD KNOWS WHAT GOOD TODAY HAS BROUGHT." I TOLD HIM THAT I WAS INTERESTED IN HIS REACTION TO THE SAUDI LETTER WHICH THE KING TOLD ME ABOUT YESTERDAY. I ASKED WAS IT IN HIS VIEW THE FINAL WORD? HE SAID YES, HE WAS SURE THAT IT WAS. THE SAUDIS COULD HAVE MADE ONLY TWO JUDGEMENTS IN SENDING JORDAN THAT LETTER. ONE WAS THAT JORDAN WOULD NOT GO TO THE SOVIETS. SAUDIS HAD PUSHED HARD ON THAT POINT WHEN CHIEF OF JORDAN ROYAL COURT SAW FAHD IN RIYADH LAST WEEK. RIFAI ADDED THEY ARE VASTLY MISTAKEN, THEY HAVE GIVEN US NO CHOICE; THAT IS EXACTLY WHERE WE WILL HAVE TO GO NOW. THE OTHER POINT THE SAUDIS MUST HAVE CALCULATED WAS THAT JORDAN WOULD BE SATISFIED, OR WOULD HAVE TO BE SATISFIED, WITH A US SYSTEM AT A COST OF \$300M. THAT TOO IS WRONG. JORDAN NEEDS AN ADEQUATE SYSTEM AND IT BROKE ITS NECK TO GET THE 14 BATTERY SYSTEM FROM THE US AND WOULD NOW HAVE TO TURN TO THE SOVIETS WHICH WAS THE ONLY PLACE IT COULD GET A COMPARABLE SYSTEM AT A CHEAPER PRICE.

2. RIFAI THEN WENT ON TO SAY THAT THE KING, THE COMMANDER IN CHIEF AND HE WERE ALL AGREED THAT THE SAUDI LETTER FACED THEM WITH A SERIOUS INTERNAL SECURITY PROBLEM THEIR ARMED FORCES HAD AGITATED FOR A LONG TIME FOR AN AIR DEFENSE SYSTEM. THE US KNOWS THAT WE WERE SITTING DUCKS WITHOUT SUCH A SYSTEM. THE ARMY DOES TOO. IN ORDER TO GET MISSILES WE WENT TO THE US AND THE SAUDIS. ONLY WITH THE SAUDIS COULD WE AFFORD A US SYSTEM. THE SAUDIS BACKED US WHEN WE WERE IN TROUBLE WITH THE LOBBY. THEY EVEN SAID THEN THAT THEY WOULD PAY FOR A SOVIET SYSTEM, BUT WE DO NOW EXPECT THEY REALLY WILL DO SO. HOWEVER, IF OUR PROBLEM WITH OUR ARMED FORCES CANNOT BE SOLVED THEN THE STABILITY OF THE REGIME IS VERY MUCH AT STAKE. OUR INTERNAL PROBLEM IS MORE PERVERSIVE THAN THE INTERNATIONAL REPERCUSSIONS FOR US WITH YOU AND THE SAUDIS IF WE GO THE SOVIETS. OUR DOMESTIC PROBLEM WILL BEGIN AFTER FEBRUARY 29 WHEN OUR TROOPS BEGIN RETURNING FROM THE UNITED STATES WITH ONLY A PORTION OF THEIR TRAINING COMPLETED. WE CANNOT HIDE THAT FROM THE ARMY FOR
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LONG AND WE MUST BE IN A POSITION TO ASSURE THEM THAT WE WILL GET A MISSILE DEFENSE. JORDAN USED TO BE ABLE TO MATCH SYRIA AND IRAQ INDIVIDUALLY, BUT NOW WE ARE WAY BEHIND. IF A COUP OR A CHANGE TAKES PLACE IN SYRIA AND ASAD DISAPPEARS WE WILL BE IN A VERY TOUGH POSITION MILITARILY AND WE HAVE TO LOOK OUT FOR OURSELVES. THROUGHOUT THE DISCUSSION THERE WAS NO UNPLEASANTNESS ABOUT THE UNITED STATES.

3. RIFAI THEN TOLD ME THAT KING HAD WRITTEN A LETTER TO FAHD IN REPLY (TEXTS BOTH LETTERS SEPTELS) AND STATED THAT JORDAN UNDERSTOOD SAUDI POSITION, THAT DEAL WITH US WAS THUS EFFECTIVELY KILLED AND THAT JORDAN WOULD TAKE SAUDI MONEY AND LOOK ELSEWHERE FOR MISSILES. FAHD'S LETTER CONTAINS ONLY ALLUSIONS TO SAUDI VERBAL WARNINGS GIVEN TO JORDANIANS ABOUT GOING TO THE SOVIETS AND KING'S LETTER CHOOSES TO IGNORE THESE WARNINGS.

4. COMMENT: RIFAI MAKES STRONG CASE THAT JORDAN WILL GO AHEAD WITH SOVIETS THIS IS OBVIOUSLY A KEY POINT. WE CANNOT DISCOUNT JORDANIAN DETERMINATION IN SITUATION OF THIS SORT AND FEEL THAT WHILE THERE IS STILL SOME SLIGHT CHANCE JORDANIANS MAY BACK AWAY FROM THIS APPROACH, THE ODDS ARE AGAINST THEIR DOING SO WITHOUT SOME CHANGE IN THE SITUATION. WE CANNOT TELL WHAT SAUDI NEXT MOVE, IF ANY, WILL BE. RIFAI BELIEVES SAUDIS WILL JUST SIT TIGHT AND SEE WHAT JORDANIANS DO.

5. OUR OWN POSITION IS NOT LIKELY TO REMAIN FOR LONG FREE FROM COMPLAINT OR ADVERSE COMMENT. WHEN JORDANIANS BEGIN TO FEEL PRESSED ABOUT THIS SITUATION THEY WILL BEGIN TO LOOK FOR EXPLANATIONS AND EXCUSES. WE INEVITABLY, EVEN WITH THE BEST WILL IN THE WORLD (AND GOOD WILL HAS NOT BEEN ONE OF RIFAI'S MOST ENDURING TRAITS), WILL BEGIN TO FIND THAT JORDANIAN AND ARAB, AND PERHAPS EVEN SAUDI FINGERS, WILL POINT AT US. THEY CAN EASILY CLAIM ON THE SAUDI SIDE THAT THE US IS JACKING UP THE PRICE TOO HIGH; ON THE JORDANIAN SIDE THEY CAN CLAIM THAT WE DID NOT DO ENOUGH TO INFLUENCE THE SAUDIS IN FAVOR OF PAYING FOR THE DEAL, OR ALTERNATIVELY THAT WE INFLUENCED THEM AGAINST IT IN ORDER TO PROTECT OUR ISRAELI INTERESTS. ARAB CAPACITIES IN THIS DIRECTION ARE LARGE AND IMAGINATIVE. WE HERE CAN SURVIVE WITH NO
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TROUBLE SITTING TIGHT; OUR JORDANIAN RELATIONSHIP WILL UNDOUBTEDLY CHANGE. IT BOGGLES THE MIND JUST A BIT TO SEE THE UNFOLDING CHAIN OF EVENTS ONCE JORDAN GOES TO THE SOVIETS: US CONGRESS CUTS OFF AID, SAUDIS DO THE SAME; SYRIANS SNUGGLE IN CLOSER WHICH STARTS THE SAME CHAIN ON EVENTS MOVING AGAIN.

6. AN IMPORTANT QUESTION WILL BE WHAT IF ANYTHING WE CAN DO WITH THE SAUDIS, OR SHOULD DO WITH THEM. WE ARE NOT AWARE OF THE FULL SCOPE OF OUR INFLUENCE THERE AND THE BILATERAL FACTORS WHICH WOULD MAKE US BACK AWAY FROM A FRANK DISCUSSION WITH THE SAUDIS ABOUT WHAT THEY HAVE IN MIND. WE ASSUME DEPARTMENT WILL WEIGH THE OPTIONS CAREFULLY. OUR RECOMMENDATION FROM HERE WOULD BE THAT UNLESS THERE ARE SERIOUS DISADVANTAGES WHICH WOULD EMERGE FROM SUCH A DISCUSSION IT WOULD BE WORTH

GETTING FROM THE SAUDIS FIRST HAND WHAT THEIR VIEWS ARE AND SEE IF THEIR ASSESSMENT OF THE JORDANIAN REACTION IS VASTLY DIFFERENT FROM OUR OWN. ON THAT BASIS WE MIGHT THEN BEGIN EVOLVE A STRATEGY FOR DEALING WITH THE SITUATION.

7. AS FOR WHERE WE GO, THE OPTIONS ARE PROBABLY WORTH MORE TIME AND STUDY THAN WE CAN GIVE THEM THIS CLOSE TO THE EVENT, AND WE WILL DO SO IN FOLLOWING TELEGRAMS. ONE POSSIBILITY IS TO TRY TO SALVAGE THE PRESENT DEAL. THIS COULD BE DONE BY INCREASING SAUDI GENEROSITY ON THE ONE HAND OR REDUCING OR PHASING IN JORDANIAN ASPIRATIONS AND SAUDI MUNIFICENCE ON THE OTHER. ANOTHER POSSIBILITY MIGHT BE TO LOOK AT THE RABAY PAYMENTS AS A POSSIBLE SOURCE OF ADDITIONAL FUNDING FOR THE FULL 14 BATTERIES, BUT THIS A PRETTY RICKETY BASE TO BUILD ON. THERE IS ALSO THE POSSIBLITY THAT THE FULL CHARACTER OF THE DEAL COULD BE SHIFTED AROUND WITH SOME OF IT GOING AHEAD ON FMS CREDIT IN THE FUTURE, POSSIBLY AS AN INDUCEMENT TO THE SAUDIS. SINCE WE EXPECT TO HAVE THEM UNDERWRITE THE CREDIT PROGRAMS IN THE FUTURE ANYWAY, IT WOULD GIVE THEM A FEELING OF COMPANY AND MIGHT STIMULATE THEIR GENEROSITY A LITTLE MORE TO KNOW THAT THE PAY BACK WOULD TAKE PLACE OVER A SOMEWHAT LONGER PERIOD (10-14 YEARS UNDER FMS CREDIT FOR THE WHOLE DEAL) RATHER THAN REQUIRE AN ALMOST IMMEDIATE (OVER FOUR YEARS) SHELL-OUT OF NEARLY A BILLION DOLLARS. FINALLY THERE IS ALWAYS THE ALTERNATIVE OF LETTING THE JORDANIANS HAVE A TURN AROUND THE FLOOR WITH THE SOVIETS THERE IS
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ALWAYS THE POSSIBILITY THE SOVIET TERMS WILL BE TOO STIFF OR THE ARRANGEMENT TOO DIFFICULT OR TOO FRIGHTENING FOR THE JORDANIANS TO ACCEPT. AFTER ALL THE SOVIETS SEEM TO WANT TO PLUCK THE JORDANIAN "PLUM" AND MIGHT SHAKE THE JORDANIANS ENOUGH TO HAVE THEM PUT THAT FEAR BEFORE THEIR INTERNAL CONCERN ABOUT THE ARMY WHICH RIFAI EXPRESSED TO ME. (WE AGREE THAT KING'S PROBLEMS WITH THE ARMY ARE LIKELY TO BE IMPORTANT, BUT WE THINK ALSO THAT HE WILL HAVE SERIOUS PROBLEMS IF HE GOES TO THE SOVIETS. WE WILL COMMENT MORE ON THIS IN DUE COURSE). WE WILL WANT CAREFULLY TO WEIGH AND ASSESS THESE POSSIBILITIES AS THINGS UNFOLD AND WOULD BE GRATEFUL FOR ANY PRELIMINARY COMMENTS FROM WASHINGTON.

END COMMENT.

8. SUGGEST DEPARTMENT REPEAT JIDDA.
PICKERING

SECRET

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: FINANCE, MILITARY EQUIPMENT, SALES, POLITICAL STABILITY, DIPLOMATIC DISCUSSIONS, DEFENSIVE CAPABILITIES, CAT-C
Control Number: n/a
Copy: SINGLE
Draft Date: 26 FEB 1976
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: blochd0
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1976AMMAN01063
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: GS
Errors: N/A
Film Number: P850107-2395
From: AMMAN
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1976/newtext/t19760212/aaaaajra.tel
Line Count: 219
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION NODS
Original Classification: SECRET
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: NODIS
Page Count: 4
Previous Channel Indicators: n/a
Previous Classification: SECRET
Previous Handling Restrictions: NODIS
Reference: 76 AMMAN 1048
Review Action: RELEASED, APPROVED
Review Authority: blochd0
Review Comment: n/a
Review Content Flags:
Review Date: 07 OCT 2004
Review Event:
Review Exemptions: n/a
Review History: WITHDRAWN <16 JUN 2004 by izenbei0, 3.4.X6>; RELEASED <07 OCT 2004 by KelleyW0>; APPROVED <02 NOV 2004 by blochd0>
Review Markings:

Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
04 MAY 2006

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: HAWK FINANCING - TALK WITH RIFAI
TAGS: PFOR, MASS, US, UR, JO, SA, (RIFAI, ZAYD)
To: STATE
Type: TE
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 04 MAY 2006